

November 12, 2018

Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	November futures	Sell	73.04	72.70	73.19	1-2 days

Other Product offerings

Monthly Currency and Thematic reports

Currency	Action
US\$INR	Sell

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Spot Currency

Currency	Close	Pvs. Close	% Change
US\$INR	72.50	73.00	-0.70
Dollar index	96.91	96.72	0.19
EUR-US\$	1.1336	1.1363	-0.24
GBP-US\$	1.2972	1.3062	-0.69
US\$-JPY	113.83	114.07	-0.21
AUD-US\$	0.7226	0.7256	-0.41
US\$-CHF	1.0056	1.0059	-0.03

- The rupee staged a decent recovery on Friday to end up 0.70%. It is expected to open lower today owing to overnight strength in the US\$
- The US\$ was higher against major currencies amid sharp selling in the British Pound as well as mild profit booking in the Euro. The US Fed reiterated its gradual rate hike stance while investors await the outcome of the US President and Chinese Premier's meeting. Any adverse outcome could lead to gains in the JPY and weakening in EM currencies, which would follow a trend in Chinese Yuan

Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	25989	26191	-0.77
Nasdaq	7039	7159	-1.67
FTSE	7105	7141	-0.49
DAX	11529	11527	0.02
HangSang	25624	25602	0.08
Nikkei	22280	22250	0.13
SGX Nifty	10606	10623	-0.16

- Equity benchmarks posted small gains underpinned by falling crude oil prices in the truncated week. The Nifty settled at 10585, up 32 points or 0.3%
- Broader markets outperformed benchmarks as the Nifty midcap, small cap rose over 1%, each

*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.76	7.80	-0.46
US 10-yr	3.18	3.24	-1.71
Eur 10-yr	0.41	0.46	-10.94
UK 10-yr	1.49	1.57	-4.73
JPY 10-yr	0.12	0.12	0.82

Commodities

	Close	Pvs. Close	% Change
Gold	1210	1224	-1.17
Copper	268.5	273.6	-1.88
Brent	70.2	70.7	-0.67

FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	4017	4288	-271
Debt	276	123	153

- Government bonds rose in the previous session supported by positive moves in the rupee as well as selling in crude oil
- US treasury yields dipped while bonds rallied as investors remain cautious ahead of the US President and Chinese Premier's meeting. The recent decline in crude oil prices could have an effect on inflation growth, which would support the treasury

- Gold witnessed decent profit booking amid strength in the US\$. However, it may find supports at lower levels in the backdrop of shaky global trade sentiments
- Crude oil further extended losses declining 0.67%, which changed Opec's stance towards a supply cut in 2019. Brent oil recovered from lows near \$69.13/bl owing to expectations of supply cuts

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 118 crore on November 6, 2018
- FIIs have been net buyers of the more than ₹ 5882 crore in November 2018

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	chng (%)	
					OI	Vol
November	72.64	-0.67	1856383	1804231	-6.36	72.50
December	72.90	-0.68	348454	138131	1.54	195.51
Nov-Dec	-0.25	-	-	1666100	-	92.34
Dec-Jan	-0.22	-	-	131467	-	95.18

- The dollar-rupee November contract on the NSE was at 72.64 in the previous session. November contract open interest declined 6.36% in the previous session
- We expect the US\$INR to meet supply pressure at higher levels. Utilise upsides in the pair to initiate short positions

Pivot levels

Futures	Pivot	S1	S2	R1	R2
US\$INR (Nov)	72.73	72.50	72.36	72.87	73.09
US\$INR (Dec)	72.98	72.75	72.60	73.12	73.35
EURINR (Nov)	82.65	82.32	82.12	82.86	83.19
EURINR (Dec)	83.14	82.82	82.63	83.33	83.64
GBPINR (Nov)	94.79	94.34	94.08	95.06	95.51
GBPINR (Dec)	95.26	94.84	94.57	95.53	95.95
JPYINR (Nov)	63.97	63.78	63.67	64.08	64.26
JPYINR (Dec)	64.39	64.23	64.14	64.48	64.64

US\$INR Strategy

US\$INR November futures contract (NSE)

Sell US\$ in the range of 72.99 -73.07

Market Lot: US\$1000

Target: 72.75 / 72.65

Stop Loss: 73.19

Support

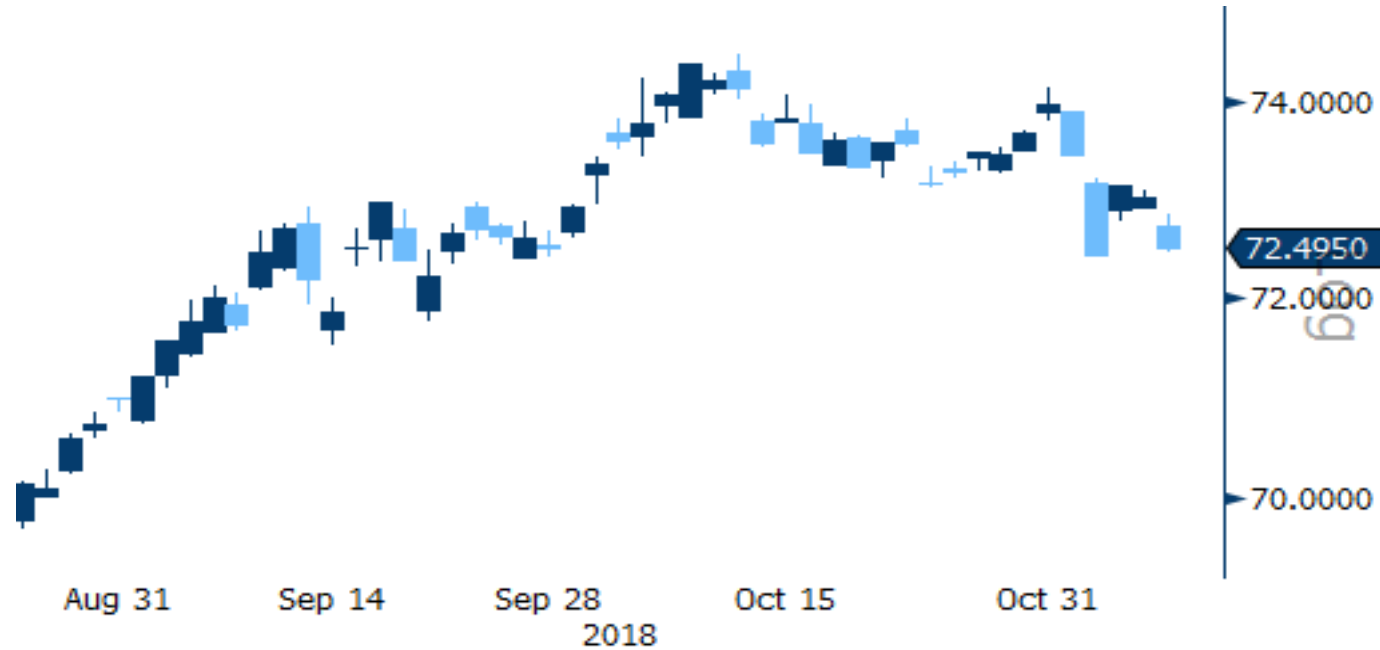
Resistance

S1/ S2: 72.70 / 72.60

R1/R2:73.05 /73.20

*Recommendation initiation message shall be broadcasted on iclick2gain at relevant prices

US\$INR Spot



INR Currency (Indian Rupee Spot) US\$INR Spot Daily 28MAY2016-12NOV2018 Copyright© 2018 Bloomberg Finance L.P. 12-Nov-2018 08:14:20

Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
9-Nov-18	US\$INR	Sell future	72.83	72.68	72.95	110	Exit in profit

Open Recommendations

Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
10/25/2018	US\$INR	Positional Currency	Sell US\$INR November future	73.47	72.20	74.50	1 month

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